

THE HONORABLE JOHN C. COUGHENOUR

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

GRACE CAMPBELL,

Plaintiff,

v.

CATHOLIC COMMUNITY SERVICES OF
WESTERN WASHINGTON,

Defendant.

NO. C10-1579 JCC

DECLARATION OF TERESA JACKSON
REGARDING ADVERSE TAX
CONSEQUENCES OF JUDGMENT
AWARDED TO PLAINTIFF

I, Teresa Jackson, declare under penalty of perjury under the laws of the United States of America that the following is true and correct:

1. I am over the age of eighteen and am competent to make this Declaration based upon personal knowledge.

2. I work as a certified public accountant at Johnson, Stone & Pagano, P.S. where I perform a range of accounting services. I earned a Bachelor of Arts degree from Phillips University in 1985 and became a Certified Public Accountant in 1995. I earned a Master of Arts in Taxation from Golden Gate University in 2010. I have worked continuously as a Certified Public Accountant since 1995.

3. I have been asked by Counsel for the Plaintiff in this matter to quantify the adverse tax consequences to the Plaintiff as a result of receiving a lump sum award for Past Economic Damages as opposed to receiving that amount as wages ratably from her termination on March 20, 2008 to the jury's verdict on April 30, 2012.

4. I have reviewed documents related to this case, including the Plaintiff's tax returns for tax years 2007 through 2011.


5. Based on my review of these documents, the Plaintiff received an award of \$94,000 for Past Economic Damages. For the purpose of these calculations, these damages are spread out evenly over the period between Plaintiff's termination (March 20, 2008) at the date of the jury's verdict (April 30, 2012).

6. If Plaintiff had received the Past Economic Damages ratably over this course of time, she would have had a total income tax liability of approximately \$13,212 and a total payroll tax obligation of approximately \$6,577.

7. Plaintiff is instead receiving the entire \$94,000 award in 2012, and she must therefore include the entire \$94,000 in her gross income in 2012. This will result in a total income tax liability of approximately \$22,726 and total payroll and/or self-employment tax obligations of \$11,546, for a total tax obligation of \$34,271.

8. The difference between Plaintiff's 2012 tax obligation (\$34,271) and her tax obligation had she received the award of Past Economic Damages ratably over the Unemployed Months (\$19,789) is \$14,482.

DATED this 11th day of May, 2012.


Teresa Z. Jackson

CERTIFICATE OF SERVICE

I hereby certify that I served the attached DECLARATION OF TERESA JACKSON REGARDING ADVERSE TAX CONSEQUENCES OF JUDGMENT AWARDED TO PLAINTIFF by causing the same to be served by CM/ECF e-service on counsel for defendant at tmerrick@mhlseattle.com and tnelson@mhlseattle.com.

Dated this 17TH day of May, 2012

By: /s/ Jennifer Milsten-Holder
Jennifer Milsten-Holder
Gordon Thomas Honeywell LLP